

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

REGULAR MEETING

9:00 A.M.

JULY 17, 2002

PRESENT:

COMMISSIONERS:	Gerald W. Smith, Chairman Jim Bagley, Vice Chairman Bob Colven James V. Curatalo, Alternate David Eshleman, Alternate	Jon D. Mikels Richard P. Pearson Bill Postmus A.R. "Tony" Sedano, Alternate Diane Williams
-----------------------	--	---

STAFF: **James M. Roddy, Executive Officer
Kathleen Rollings-McDonald, Deputy Executive Officer
Clark H. Alsop, Legal Counsel
Debby Chamberlin, Clerk to the Commission**

ABSENT:

COMMISSIONERS: **Dennis Hansberger, Alternate**

REGULAR SESSION - CALL TO ORDER - 9:05 A.M.

Chairman Smith calls the regular session of the Local Agency Formation Commission to order. Commissioner Williams leads the flag salute.

Chairman Smith requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past twelve months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There are none.

APPROVAL OF MINUTES FOR REGULAR MEETING OF JUNE 19, 2002

Chairman Smith calls for any corrections, additions, or deletions to the minutes. There are none. Commissioner Bagley moves approval of the minutes as presented, seconded by Commissioner Pearson. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Postmus.

CONSENT ITEMS

LAFCO considers the item listed under its consent calendar, which Chairman Smith states is approval of the Executive Officer's Expense Report. A Visa Justification has been prepared, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. The staff recommendation is that the Commission approve the Executive Officer's Expense Report.

Chairman Smith asks whether there is anyone present wishing to discuss the consent calendar item. There is no one.

Commissioner Mikels moves approval of the consent calendar, seconded by Commissioner Colven. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Postmus.

(It is noted that Commissioner Postmus arrives at 9:10 a.m.)

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

DISCUSSION ITEMS

CONSIDERATION OF: (1) FINAL ENVIRONMENTAL IMPACT REPORT ADOPTED BY CITY OF HESPERIA FOR SUMMIT VALLEY RANCH SPECIFIC PLAN (STATE CLEARINGHOUSE NO. 92062020) AND NEGATIVE DECLARATION PREPARED BY CITY OF HESPERIA FOR PREZONING ZC-2001-07 AS CEQA RESPONSIBLE AGENCY FOR LAFCO 2888; (2) ADOPTION OF FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS; AND (3) LAFCO 2888 - CITY OF HESPERIA REORGANIZATION NO. 2001-01 INCLUDING ANNEXATIONS TO CITY OF HESPERIA, HESPERIA FIRE PROTECTION DISTRICT, HESPERIA RECREATION AND PARK DISTRICT, AND HESPERIA WATER DISTRICT (SUMMIT VALLEY RANCH AREA) - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider a City-initiated proposal to annex approximately 1,111 acres to the City of Hesperia (hereinafter referred to as "the City") and its subsidiary Fire Protection and Water Districts, and the Hesperia Recreation and Park District. The reorganization area is generally located within Sections 23, 25, 26, 34 and 35 of Township 3 North, Range 5 West, San Bernardino Base Meridian. The area is approximately four miles east of the I-15 Freeway and is bisected by Highway 138 in an east-west direction. The eastern boundary of the proposal area, its connection to the City, is also the western edge of the development known as Rancho Las Flores. Notice of this hearing has been advertised as required by law through publication in The Sun and the Daily Press, newspapers of general circulation in the area, and by providing individual mailed notice to affected and interested agencies, County departments, those individuals requesting mailed notice, and landowners and registered voters pursuant to State law and Commission policy.

Executive Officer James Roddy points out the reorganization area on the display map. He says this proposal is the culmination of ten years of work by the City staff and property owners of Summit Valley Ranch to address the development of this area. He says representatives from the City are here today to answer any questions and that Deputy Executive Officer Kathleen Rollings-McDonald will review the basic issues related to this proposal.

Ms. McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. She discusses the background of this proposal, as outlined in the staff report, and says that a similar proposal (LAFCO 2877) was initiated by the general partners of Summit Valley Ranch about a year and a half ago to annex 961 acres to the City. She reports, however, that the County and City failed to complete the property tax negotiation process, so the landowners withdrew that application rather than go through the mediation and arbitration process now required. She says the City, in April 2002, reinitiated the annexation on behalf of the landowners following successful discussions with County staff on a compromise on the property tax issues. She notes that at the June 19 hearing, the Commission received the environmental documents and Specific Plan prepared by the City for the Summit Valley Ranch project and for the rezoning process for the remainder area. She says the existing land uses within the area are essentially vacant with some scattered rural-residential development and that the connection of the study area to the City is the development known as Rancho Las Flores. She says information attached to the staff report and the environmental documents previously delivered to the Commission provide information regarding service plans and development activities.

Ms. McDonald discusses three primary issues, which are outlined in the staff report. The first issue relates to the boundaries and she says staff worked with the City to address a more comprehensive boundary than that presented in LAFCO 2877. She says the City surveyed property owners and developed a logical service boundary north of Highway 138 through the addition of 150 acres located in the eastern portion of the site. She reports that a letter was received from Mr. and Mrs. Bond, landowners within the expansion area, expressing concern regarding access to their property. She says that letter was forwarded to City staff who indicated that the Bonds' issue would be addressed through the review of subdivision and development projects. Ms. McDonald says that notices were sent to landowners and voters within and surrounding the area and she reports that a letter was received from an adjacent landowner who wanted to be included in this application. She says that was reviewed with City

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

staff, who indicated that no development was anticipated and that they did not want to further delay this project.

Ms. McDonald discusses the land use designations which include: (1) PMU (Planned Mixed Use) which will allow for the residential components of the Summit Valley Specific Plan, which could allow 1,668 residential units at full build-out; (2) A-1 (Agricultural under the City's general plan designation of "Special Development") which allows one unit to the acre in an area of 322 acres; and (3) C-2 (Commercial) which represents a single parcel along Highway 138 to acknowledge an existing restaurant. She notes that the Specific Plan anticipates an interim use for the property of a quarry/nursery site. She says the Habitat Conservation Plan (hereinafter referred to as "the HCP") to be administered by the City can be addressed by the City. She discusses the Williamson Act Contract lands and says 600 of the 1,111 acres in this proposal are included within existing Contract #77-526. She says application for cancellation of that contract was made to the County; that the non-renewal of that contract is in effect; and that the contract will terminate in December 2006. As required by law, she says staff forwarded information to the Department of Conservation for review and comment and she says the City will succeed to administration of this contract upon annexation.

Commissioner Mikels asks whether there is a remainder piece of an Agricultural Preserve left in the area. Ms. McDonald responds that there are non-contiguous pieces of contract land and she says Attachment 4 to the staff report includes an Agricultural Preserve map that shows where Contract #77-526 exists in different areas of Summit Valley. She says the current area of consideration is 600 acres and qualifies as its own Preserve.

Ms. McDonald discusses the service issues, which are outlined in the staff report. She says the Plan for Service on behalf of the Hesperia Water District indicates that water and sewer service are tied to the development of the Rancho Las Flores project to the east. Regarding fire protection, she says the County Fire Department submitted a letter of concern about the erosion of property tax revenue with the detachment of County Service Areas 38 and 70. She says that issue has been addressed through the adoption of an agreement between the County and the Hesperia Fire Protection District for automatic mutual aid arrangements for Summit Valley, Oak Hills, and Spring Valley Lake. Ms. McDonald explains that this area is designated as a "State Responsibility Area" for wildland fire protection purposes by the California Department of Forestry (hereinafter referred to as "CDF"). She explains that designation will be removed and she discusses the financial obligation that will be transferred to the City, which is outlined in the staff report. She states that the existence of Improvement Zone E of County Service Area 38, which was created in 1972 for the Summit Valley area through a detachment from the Crest Forest Fire Protection District, was discovered during the processing of this application. She says this zone has no history of being used; that it is a paper district existing on tax rolls; and that it requires detachment. She says there is a finding in the draft resolution of approval recommending that Special Districts and County Fire staff request that the Board of Supervisors dissolve this zone.

Ms. McDonald states that all findings required by State law and Commission policy for this reorganization are outlined in the staff report and are made a part of the record by their reference herein. She says Tom Dodson, the Commission's Environmental Consultant, will review the environmental determinations. She says the staff recommendation is outlined on pages one and two of the staff report and includes that the Commission: (1) take the various actions listed with respect to the environmental review for LAFCO 2888; (2) approve LAFCO 2888, subject to the conditions listed; and (3) adopt LAFCO Resolution No. 2746 setting forth the Commission's terms, conditions, findings and determinations. She asks if there are any questions. There are none.

Mr. Dodson states that the environmental documents consist of the Environmental Impact Report (EIR) prepared and certified in 1997 and the Negative Declaration prepared and adopted by the City in the last few months. Mr. Dodson discusses the Commission's role as a responsible agency. He says LAFCO commented on the environmental documents for the original proposal and also provided input into the Initial Study and Negative Declaration adopted by the City for the 323 acres of territory not a part of the Summit Valley Ranch Specific Plan area. He explains that once the documents have been certified and/or adopted by the City, the Commission, as a responsible agency, is committed to accept the

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

documents as they are, and cannot change them unless circumstances change. He says the Commission has indicated that it has reviewed the documents and, because significant impacts have been identified, the Commission will adopt a Statement of Overriding Considerations, which was based on a Statement previously adopted by the City when it approved the Specific Plan. Mr. Dodson summarizes the Statement of Overriding Considerations. He says it addresses impacts that have been identified as nonsignificant, either because they had no adverse impact or because mitigation measures have been identified to be implemented by the City or other districts. He says that starting on page 37, the Statement addresses significant impacts (Air Quality, Land Use and Planning, and Biological Resources) that could not be reduced to a nonsignificant level after mitigation and consideration of alternatives. He says page 48 lists the project's benefits, which are weighed against the impacts; and says if the Commission approves the proposal, and it is concurring with the City that overriding these three significant impacts is justified to approve the annexation.

Commissioner Colven asks whether the raptors are listed as endangered or threatened species. Mr. Dodson responds that there are no raptors inhabiting this site as far as he knows; and he says it is possible that Golden or Bald Eagles may use this area for hunting, but do not live on the site as far as he knows. He says the arroyo toad is an endangered species and that the City can talk about the habitat conservation planning effort that is going on regarding the toad.

Chairman Smith opens the public hearing.

Larry Mitchener states he lives adjacent to the development and says his concern is the rock quarry. Mr. Mitchener says there is only one major ingress and egress, which is a very small road, and he says Highway 138 is very dangerous right now. He says he does not think the City will benefit him and says the City cannot maintain the streets it has now. He says this development can do nothing until Rancho Las Flores brings in the infrastructure, and he asks what the rush is, other than they want the rock quarry. He notes that there is a rock quarry about eight miles away which has been closed for five years. He says this project should not go forward until the Highway is improved. Commissioner Mikels comments that Highway 138 made it into the Transportation Improvement Plan and asks whether the construction on Highway 138 is proposed to be done by the developer. Ms. McDonald says that part of the inclusion of Caltrans in the HCP is to take care of Highway 138 in that area, but she says Dave Reno from the City can address the specific portions of the Highway.

Commissioner Pearson asks about the status of two bills pending that have been discussed for potentially impacting Williamson Act Contract lands. Legal Counsel Clark Alsop reports that SB 1515, which relates to prohibiting territory subject to agricultural, open space, and conservation contracts and easements from being included within, or annexed to, a community facilities district, has been signed by the Governor. He reports that AB 2370, which has a section which restricts annexations of Williamson Act property, with some exceptions, such as property owner consent to proceed, was heard recently but was postponed and is still in Committee. Commissioner Pearson comments that AB 137 was referenced in one of the Legislative Reports from Orange LAFCO and is even more controversial. Mr. Alsop says he has no update on that bill. Ms. McDonald states that a Notice of Non-renewal has been filed on this Contract, with about four years left in the process.

Commissioner Curatalo says the plan is to widen and straighten Highway 138 and asks whether it will go from two to four lanes and whether there is any projection as to when this will occur. Ms. McDonald says the City can address those questions.

Dave Reno, the City's Senior Planner, presents an overview of the Summit Valley Specific Plan. Mr. Reno discusses the environmental review, stating that the EIR was completed in 1995 and circulated twice because it was revised for air quality, endangered species, and traffic issues. He reports that the arroyo toad was listed as endangered in 1995 while the City was completing the EIR and was discovered on the property. He explains that the project was modified to avoid the toad habitat after discussions with the U.S. Fish & Wildlife Service (hereinafter referred to as the "Wildlife Service") and says it was agreed there would be subsequent consultation with the Wildlife Service to address any additional mitigation measures necessary for the toad. He notes that the toads were also discovered on Rancho Las Flores

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

property and in the vicinity of the Highway 138 project. He says a joint agreement for the funding and completion of the HCP, under the supervision of the Wildlife Service, was entered into among the City, Caltrans, Summit Valley Ranch LLC and Rancho Las Flores Limited Partnership; and he says the HCP should be completed next February.

Mr. Reno discusses Highway 138, stating that although the Highway 138 project is a safety project, scheduled with safety funds between 2004 and 2006, the HCP is to address the impacts of a four-lane road, when there is additional funding. Commissioner Mikels asks how much of the project is in the State Transportation Plan (STP). Mr. Reno says he believes it is just the additional 3.3 miles that extends eastward from where Highway 138 was widened in 1991. Mike Podegracz, the City's Director of Development Services, states that the project on the east side originally was in the STP but was removed. He says the only remaining funds now are safety funds for the last portion of Highway 138 that remains to be straightened out.

Mr. Reno says this annexation was originally filed by property owners in 2001; but he says issues were raised regarding boundaries, fire revenues, and the property tax split, and that application was withdrawn. He reports that after further discussions with the County, the Fire Districts, and First District Supervisor Bill Postmus, the City believes all three issues have been resolved as follows: (1) the City and County have agreed that if any renegotiations take place in terms of the property tax split, the revised property tax rate will be applied to this proposal area as well; (2) property owners north and south of Highway 138 were surveyed as to support for inclusion in this proposal and, with property owner support, territory north of Highway 138 has been included to create better boundaries; and (3) agreements are in place for response to fire emergencies and the City will contract with the CDF for wildland fire protection. Mr. Reno states they believe the Specific Plan contains all necessary environmental mitigations. He points out that both Rancho Las Flores and Summit Valley Ranch are required by City policy to prepare community facilities districts to provide the infrastructure necessary for the development. He says the City is pursuing this annexation at the request of property owners; that it is consistent with the City policies and General Plan; and that the City and its related districts are in the best position to provide services as shown in the Plan for Service. He asks that the Commission approve this proposal.

Commissioner Colven inquires about the rock quarry mentioned earlier by Mr. Mitchener. Mr. Reno explains that the original plan was to do aggregate mining and rock quarry; he says there is a high point of land on the property and the plan was to take the top off the land, and use that for quarries to serve Highway 138 operations, as well as any work to be done at Rancho Las Flores. He says that is one planned interim use right now, but adds that final resolution will come with completion of the HCP and an agreement from the Wildlife Service regarding use of the land. He says the current mining plan as originally envisioned was a twelve year plan.

Commissioner Pearson asks whether the calculations of the air quality issue took into account the amount of transported air pollution that comes up through the Pass. Mr. Dodson explains that it was taken into account. Commissioner Pearson asks whether there is an airport land use plan for the Hesperia Airport, since it is about five nautical miles from the Airport to the intersection of Highway 138 and Summit Valley Road. Mr. Reno responds that there is one, which was established in 1992 or 1993. Commissioner Pearson asks whether any additional mitigation measures have been developed due to the recent fires in the Summit Valley area since preparation of these documents. Mr. Reno says those fire occurred very recently, but he points out that the response to the area from the City's fire station, although located 10 to 12 miles away, is equal to if not better than the paid-call station located about two and a half miles to the west since the City's station is on the job 24 hours a day, seven days a week. Commissioner Pearson asks whether there were any changes made in the fire service agreements and procedures as a result of the recent fires. Mr. Reno asks the Fire Chief to respond.

Hesperia Fire Protection District Chief Tom Pambianco says there have been no changes to the agreement. He says the mutual aid agreement just signed addressed those issues under the master mutual aid agreement that has been in place. Chief Pambianco says it was his requirement that upon annexation, the City and District contract with the CDF so there would be sufficient resources to take care of the annexed area as well as the other County areas. He explains that with the two recent fires, there

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

were not a lot of structures in the area, but he says the Interstate was impacted. He says an "upside" to the fires is that a lot of heavy fuels were burned off, mitigating a potential threat in the future. He discusses that an additional mitigation is to work with homeowners to be sure they understand that if there is a lot of vegetation close to their homes, it is difficult for the firefighters to protect them if a wildland fire comes through the area. He says the City has an aggressive weed abatement program. He says the City's Fire Station, under the mutual aid system, responds in that area concurrently with Station 48, and he says that will continue to happen.

Commissioner Pearson comments that a ten-acre site has been proposed for an elementary school. He points out that County Schools have been looking toward larger school sites on which to combine elementary and middle schools. He asks whether that issue was brought up. Mr. Reno responds that was discussed in conjunction with Rancho Las Flores, but he says that was not specifically designed for this site, although that could be considered. He says there is an agreement in principle that the School District wants to use this site. However, he says as things evolve over the years, that issue could come up; and whether that might materialize on this site will depend on how they end up "fleshing things out" for the first village of Rancho Las Flores. Commissioner Pearson comments that everything in this project depends on what takes place in Rancho Las Flores, and he asks what agreements have been established between the two developments. Mr. Reno explains that the City has worked with them to establish the necessary amounts of land for all the public facilities. He says they have not completed the community facilities districts to do the funding because of delays associated with the economy and the endangered species on the site. He says once they have a concrete resolution with the Wildlife Service as to the exact extent of the toad habitat on Rancho Las Flores and Summit Valley Ranch, they will know how many dwelling units can be counted on to fund facilities.

Mr. Mitchener asks why they need a third rock quarry when the principals of two other quarries have told him they have no intention of buying rock from this quarry.

Rebecca Lewis, a real estate broker and resident in the area, says that she just received the staff report last Thursday. She discusses comments she provided for the Departmental Review Committee meeting held in March 2001 on LAFCO 2877. Regarding schools, Ms. Lewis says the realistic land requirements for an elementary school is 12 acres, 25 acres for a junior high school, and 60 acres for a high school. She reports that pursuant to information provided by Diana Canchola of the Hesperia Unified School District in March 2001, enrollment was closed and no permits could be issued without the School District maximum statutory fee amount. She questions whether the School District can serve this expansion and asks whether the costs have been determined. She says Captain Moore, who is now retired, wanted to know how it was determined that 2.5 more police officers would be needed, and Ms. Lewis says a new substation should be implemented for this project. She notes that the Hesperia Police Station on Santa Fe Road is open Monday through Friday until 4 p.m. and is closed on weekends. She discusses the accident rate on Summit Valley Road and says she wants that road addressed in this project. She also thanks Supervisor Postmus for getting attention for that road. She says she agrees with Mr. Mitchener's comments on Highway 138 and says the traffic is increased during fires, train accidents, and freeway accidents. She notes that the part of Highway 138 that is to be straightened out probably has the lowest accident rate because of the curves and says there is excessive speed only where the Highway is straight. Ms. Lewis asks that a dated will-serve letter for electricity be obtained from Southern California Edison, since it appears that a generic letter was issued to help the developer obtain financing. She says it is hard to believe that with the energy crisis and deregulation there is a reserve capacity and that there will not have to be an additional power generation plant. Ms. Lewis says she represents many property owners whose land she cannot sell because the project managers of Rancho Las Flores and Summit Valley Ranch will not provide access to their property. She says that by prescriptive rights and aerial photos she could prove that there was access to these properties years ago. She says she has asked that easements be granted to these property owners and says these people do not have the money to hire attorneys to fight "the big guns". She adds that Mr. Bond would agree with this project if he could have legal access to his property and she asks that the Commission make sure that the property owners behind this project have legal and logical access to their property. Commissioner Bagley tells Ms. Lewis that easement access issues are not under LAFCO's jurisdiction; and he says if the area is annexed to the City, that is where these discussions should take place.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

Mark Eagleton, the property owner and applicant in the original proposal, states that he appreciates the staff's hard work over the past year on this annexation and says he would like the Commission to approve this today. Commissioner Pearson states that as a good neighbor, Mr. Eagleton may want to work with the City and consider some actions that would mitigate the concerns discussed by Ms. Lewis. Mr. Eagleton responds that he does want to be a good neighbor in the Valley and points out that Rancho Las Flores started the local fire department. He says the issue of the landlocked pieces of property is a legal action and is in the City's hands. Regarding the school site, Mr. Eagleton says the School District picked that site in 1990 or 1991.

(It is noted that Commissioner Eshleman arrives at 10:20 a.m.)

Jeff Wright states he is concerned when he sees that Tom Dodson is doing environmental reviews because he is paid to make developers feel good about what they are doing. Mr. Wright says he believes the Findings of Fact and Statement of Overriding Considerations is flawed. He notes that on page 14, it indicates as a potential significant impact that "There is a potential for landslides on the south slopes of the East Basin of Little Horsethief Canyon to effect the mining operation during a seismic event." He says mines collapse all the time, even without a seismic event; that the road there is windy because of the treacherous terrain; and that big chunks of land have slid down due to erosion and heavy rains, as well as seismic and mining activities. He says he is also speaking on behalf of Bob Nelson who could not make it today as he has been prevented by law enforcement people from getting access to documents in his home. Mr. Wright says he seriously doubts that there is adequate water for this project and says it will impact the limited water in this area. He says the recent fires show that access and egress for people to get out if they need to evacuate is almost impossible with the limited population there when there are heavy impacts on the roadways and says he echoes the concerns related to the Highway mentioned by Ms. Lewis. He says the arroyo toads are very sensitive and will be impacted by the lights, traffic and additional impacts. Mr. Wright says it is not appropriate to have these types of developments in areas with rugged terrain, seismic and erosion aspects, lack of egress, and lack of access for fire personnel and equipment to be able to get into the area during emergency situations. He asks the Commission to look into these issues.

Chairman Smith comments that he and another Commissioner have been up there fighting fires and he says he travels that road every day. He says the Commissioners care about people and the environment, and that they study the issues and know what they are making decisions on.

Chairman Smith asks whether there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Bagley moves approval of staff recommendation, seconded by Commissioner Colven.

Commissioner Sedano comments there has been a lot of discussion today and excellent speakers from the audience. He says the staffs of LAFCO, the City and its Districts have explained their views and opinions at length. As a non-voting member, he encourages his fellow Commissioners to approve this proposal. Commissioner Bagley reiterates that some of the concerns expressed today should be expressed in the local arena.

Commissioner Postmus states he has a conflict and will abstain from voting.

Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Smith, Williams. Noes: None. Abstain: Postmus. Absent: None.

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2891; AND (2) LAFCO 2891 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR INLAND EMPIRE UTILITIES AGENCY - APPROVE STAFF RECOMMENDATION

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the Inland Empire Utilities Agency (formerly the Chino Basin Municipal Water District and hereinafter referred to as the "IEUA"). Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the area, and individual notification was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

Executive Officer James Roddy says that although it seems like there are a lot of service reviews to be considered today, none of the agencies have proposed any changes and no service review factors have been identified that would be alleviated through further LAFCO review. Mr. Roddy says the Commission adopted policies several months ago indicating that this process should be streamlined to the extent possible and appropriate for these agencies so that the Commission can move on to agencies where a more thorough review may be appropriate. He reports that he met with each agency listed in the staff reports and says none of the agencies identified any anticipated sphere changes. He says these staff reports are brief and perfunctory because there are no service issues that can be addressed within the context of LAFCO jurisdiction or authority. He notes, however, that this will not always be the case.

Mr. Roddy presents the staff report related to the IEUA, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. He shows the District boundaries on the map displayed and says the IEUA provides wholesale water service, sewer treatment, energy production and co-composting services within its boundaries. He says the IEUA indicated there could be minor modifications in the eastern portion of its sphere, but he says they do not see that coming within the next five years. He notes that the Commission is aware, after the hearing on the Coyote Canyon annexation, that altering the boundaries of a wholesale water agency is an extremely complicated and lengthy process. He says the staff recommendation is that the Commission: (1) determine that LAFCO 2891 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption; (2) make the findings related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the IEUA should not be changed; and (3) adopt LAFCO Resolution No. 2739 setting forth the Commission's findings and determinations.

Commissioner Mikels points out that the IEUA is one of the more complex agencies to be reviewed because of the diversity in its service area. He asks how the process went in terms of the service reviews. Mr. Roddy explains he met with the IEUA staff and reviewed the material they submitted. He says that through discussion with other agencies, he asked if there were any issues to be raised related to the IEUA and says none were raised that could be dealt with on a LAFCO level. He says if there are issues that the Commission feels should be more fully reviewed, those should be identified and this hearing continued. He says the Commission initially indicated its overall philosophy was that this should not be a State mandate for all agencies in the County and that the Commission should be able to determine which agencies should be focused on. He says after discussions with the IEUA, he did not feel there were issues that needed to be resolved in the context of LAFCO authority. Commissioner Mikels says these reviews could have been lengthy and complex; he says he is trying to understand the level of difficulty involved in performing the statutory responsibility, along with the Commission's policy direction.

Commissioner Pearson discusses that they are still trying to get the guidelines for the service reviews from the Office of Planning and Research. He says that now that Mr. Roddy has been able to do some of the studies, he hopes that he can advise the Commission on what is the best way to approach this task. He adds that he thinks Commissioner Mikels' concern is that not all of these reviews can just be "matter of fact". Mr. Roddy says that with the limited funds of the cities, districts and LAFCO, he suggests reserving funds for reviewing areas where there are known service review factors that come under LAFCO's jurisdiction. He says the West Valley was picked first because most of its spheres are well established and the Commission can get a track record through these reviews. Commissioner Pearson says he is not taking exception to Mr. Roddy's report, but he asks how the Commission is to identify areas that are significant. Mr. Roddy responds that some LAFCOs feel that a review of every agency every five years should be retained. He says he and others do not feel that way and have expressed that LAFCOs should have discretion to devote resources to areas where something can be accomplished. He says this first effort is to put together a resolution which conforms with the law and the spirit and intent

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

of Government Code Sections 56425 and 56430 and which accomplishes what the Legislature intended. He notes that one phrase in the sphere review statutes requires the review to be done on a five year basis "if necessary." He says once this is accomplished for all the agencies, the Commission should be able to say in the future that another review is not necessary. Commissioner Curatalo asks whether the Commission can say another review is necessary before five years. Mr. Roddy responds that the Commission can initiate a sphere of influence study at any time.

Commissioner Eshleman says he does not understand the Commission's role in these reviews and says he is glad this first one is easy. He notes that Mr. Roddy brought up Coyote Canyon earlier, and he comments that when that annexation was before the Commission, the issue of water was left out. Mr. Roddy responds that the Commission focused quite a bit on the issue of the West San Bernardino County Water District (WSBCWD) versus the Fontana Water Company, and he points out that staff recommended a condition of approval regarding water issues. Commissioner Eshleman says the developer of Coyote Canyon has asked the City of Fontana to support a potential change in the water supplier at the PUC level, so he says this issue will be coming back to LAFCO. He notes that the IEUA is a seven-member agency and that the City of Fontana is the only agency whose boundaries are not wholly within that jurisdiction. He discusses that he needs to understand the issues related to these various water agencies and asks whether the Commission will deal with those kinds of issues in these sphere studies. Mr. Roddy says that will depend on whether the Commission thinks that is appropriate at the LAFCO level. He says there is a dispute between WSBCWD and Fontana Water Company, and he reiterates that staff recommended that wholesale water issues and water rights issues be resolved prior to completion of the Coyote Canyon annexation. He says the developer, however, urged the Commission not to do that because of escrow and timing problems and the Commission deleted that condition.

Chairman Smith opens the hearing and calls on those wishing to speak.

Jeff Wright states that Tom Dodson has responded on all of the service reviews. He asks whether these proposals go out for bid and what Mr. Dodson was paid for his work on these proposals and the Summit Valley proposal. He asks what effect the Commission's decisions today will have on electricity. Mr. Wright refers to page ES-6 of the document submitted by the IEUA, which is attached to the staff report. He says that page talks about the effects of cow manure and green waste on the Santa Ana River. He asks how much actual pollution the cows are putting out relative to the toxic chemicals industrial areas put out. He says the desire seems to be to use this issue to "boot out" the cows, remove the dairy area, and make it into a development.

Chairman Smith asks whether there is anyone else in the audience wishing to address this issue. There is no one and he closes the hearing.

Commissioner Eshleman asks what the bidding process was for Mr. Dodson's contract. Mr. Roddy reports that the Commission has had a contract with Tom Dodson & Associates for about 15 years. He says the contract was put out for competitive bid and that the Commission considered Mr. Dodson's contract the best.

Commissioner Colven moves approval of staff recommendation, seconded by Commissioner Pearson. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: None.

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2892; AND (2) LAFCO 2892 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR CHINO BASIN WATER CONSERVATION DISTRICT - CONTINUE TO SEPTEMBER 18, 2002

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the Chino Basin Water Conservation District. Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

area, and individual notification was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

The staff recommendation is to continue this item to the September 18, 2002, hearing to allow for additional staff review of this proposal. A copy of the staff report is on file in the LAFCO office and is made a part of the record by its reference herein.

Commissioner Mikels moves approval of staff recommendation, seconded by Commissioner Postmus. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: None.

Commissioner Sedano comments that the Commission has to take stock in what the staff recommends on these service reviews, since staff will be meeting with the affected agencies and doing most of the work on the proposals. He says the Commission could belabor some things forever, but then still come back and agree with the staff recommendation. Commissioner Smith comments that it is understood that each Commissioner has reviewed each proposal; and he points out that Mr. Roddy has indicated that if there are any questions, any of these items can be continued for further discussion.

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2893; AND (2) LAFCO 2893 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR CHINO VALLEY INDEPENDENT FIRE DISTRICT - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the Chino Valley Independent Fire District. Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the area, and individual notification was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

Executive Officer James Roddy presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Mr. Roddy points out the District's sphere boundaries on the display map. He says there are no issues that need to be looked at, and he notes that the District has no opportunity for boundary expansion since it is surrounded by county lines or other agencies that provide fire protection service. He says the information submitted by the District is attached to the staff report and has been found to be an adequate statutory response to the factors of consideration. Mr. Roddy says the staff recommendation is that the Commission: (1) determine that LAFCO 2893 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption; (2) make the findings related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the Chino Valley Independent Fire District should not be changed; and (3) adopt LAFCO Resolution No. 2741 setting forth the Commission's findings and determinations.

Chairman Smith opens the hearing and asks whether there is anyone wishing to speak on this item.

Fire Chief Paul Benson states that he concurs with the staff recommendation.

Chairman Smith calls for further testimony. There is none and he closes the hearing.

Commissioner Postmus moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: None.

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2894; AND (2) LAFCO 2894 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR CITY OF UPLAND - APPROVE STAFF RECOMMENDATION

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the City of Upland. Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the area, and individual notification was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

Executive Officer James Roddy presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Mr. Roddy states that the City of Upland is locked in by the Cities of Rancho Cucamonga, Montclair and Ontario, and by the County line. He says there are three unincorporated areas with the City's sphere--San Antonio Heights, College Heights, and an unincorporated island not associated with any community. He reports that after this item was mailed out, calls were received from people in the San Antonio Heights area who were concerned this was a precursor to annexation to Upland. He says the City has indicated they have no plans of proposing annexation of parts of San Antonio Heights, but he says they are working on annexations in the College Heights area. He says staff has encouraged the City to initiate annexation of the small island because it is less than 75 acres and can be annexed regardless of protest. He notes that there have been discussions over the past few years about boundary reorganizations between the Cities of Upland and Rancho Cucamonga, but he says those interests have waned over the years or are on hold.

Mr. Roddy says the staff recommendation is that the Commission: (1) determine that LAFCO 2894 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption; (2) make the findings related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the City of Upland should not be changed; and (3) adopt LAFCO Resolution No. 2742 setting forth the Commission's findings and determinations.

Chairman Smith opens the hearing and calls on those wishing to speak.

Jeff Wright asks whether a community meeting has been held to specifically explain what the plans are for the San Antonio Heights area because he says the groundwork is laid for annexation by this action today. Commissioner Mikels responds that the San Antonio Heights area has been within the City of Upland's sphere forever. He says if anyone from that area had an issue, they would be at this hearing today.

Chairman Smith asks whether there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Mikels moves approval of staff recommendation, seconded by Commissioner Pearson. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: None.

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2895; AND (2) LAFCO 2895 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR MONTE VISTA WATER DISTRICT - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the Monte Vista Water District. Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the area, and individual notification was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

Executive Officer James Roddy presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Mr. Roddy compliments and commends the District's General Manager for the excellent work that was submitted in response to the survey. He reports that the District provides retail water service to the City of Montclair, portions of the City of Chino,

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

and the unincorporated County area lying between the Cities of Pomona, Chino Hills, Chino, and Ontario. He says the District also provides wholesale water service to the City of Chino Hills. He says the District boundaries and sphere are coterminous and that there are no issues related to boundaries, nor have any water issues been identified by adjacent purveyors of service. He says there is no basis for a further detailed review. Mr. Roddy says the staff recommendation is that the Commission: (1) determine that LAFCO 2895 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption; (2) make the findings related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the Monte Vista Water District should not be changed; and (3) adopt LAFCO Resolution No. 2738 setting forth the Commission's findings and determinations.

Chairman Smith opens the hearing and calls on those wishing to speak.

Mark Kinsey, General Manager of the District, states that LAFCO staff has been responsive to the many questions the District had. He says the District concurs with the staff recommendation, findings and draft resolution and that he is available to answer any questions.

Commissioner Sedano comments that a lot of time and work were put into the District' document. He says it would be a fantastic guide to provide to other agencies.

Chairman Smith asks whether there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Postmus moves approval of staff recommendation, seconded by Commissioner Mikels. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: None.

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2896; AND (2) LAFCO 2896 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR CITY OF MONTCLAIR - CONTINUE TO SEPTEMBER 18, 2002

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the City of Montclair. Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the area, and individual notification was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

The staff recommendation is to continue this item to the September 18, 2002, hearing to allow for additional time for submittal of information from the City of Montclair. A copy of the staff report is on file in the LAFCO office and is made a part of the record by its reference herein.

Commissioner Postmus moves approval of staff recommendation, seconded by Commissioner Pearson. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Mikels, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: None.

(It is noted that Commissioner Mikels leaves the hearing at 11:15 a.m.)

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2897; AND (2) LAFCO 2897 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR CITY OF ONTARIO - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the City of Ontario. Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the area, and individual notification

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

Executive Officer James Roddy presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Mr. Roddy states that the City's sphere of influence is coterminous with its corporate boundaries and reports that no service review issues have been raised. He notes that there has been discussion over the years about making boundary changes along Route 60 so that the City of Chino would be south of the freeway and the City of Ontario would be north of the freeway. He points out that such a boundary change would need to be supported by both Cities. He says it would take a lot of interagency work and that it has not been studied by either City. He says there is no basis for further review of this sphere. Mr. Roddy says the staff recommendation is that the Commission: (1) determine that LAFCO 2897 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption; (2) make the findings related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the City of Ontario should not be changed; and (3) adopt LAFCO Resolution No. 2744 setting forth the Commission's findings and determinations.

Chairman Smith opens the hearing and asks whether there is anyone wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Pearson points out that the letter provided by the City indicates that the City provides water service to a small number of houses outside the City limits off of Benson Avenue. He asks whether there is an out-of-agency service contract for the City to provide that service. Mr. Roddy responds that service pre-existed LAFCO's authority to regulate the extension of service outside an agency's corporate boundaries.

Commissioner Williams moves approval of staff recommendation, seconded by Commissioner Pearson. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: Mikels.

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2898; AND (2) LAFCO 2898 - SERVICE REVIEW PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE STUDY PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR CITY OF CHINO - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider a service review and sphere of influence study for the City of Chino. Notice of this hearing has been advertised as required by law through publication in The Sun and Inland Valley Daily Bulletin, newspapers of general circulation in the area, and individual notification was provided to affected and interested agencies, County departments, and those individuals wishing mailed notice.

Executive Officer James Roddy presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Mr. Roddy states that the City is actively working on expanding its corporate boundary to include the balance of its sphere of influence and he says he believes the City will be landlocked soon if it can address its northern sphere area. He notes that staff has encouraged the City to address its unincorporated island that would come under the jurisdiction of the Commission under the 75 acres or less island statute. He reports that he discussed with the City the little "notch" area which is the only part of the City of Chino that extends across Highway 71. He says he suggested that Chino work with the City of Chino Hills to evaluate the detachment of that area from Chino but he adds that there must be a consensus between the two cities to do that. Commissioner Sedano asks what the two Cities think about that idea and he asks what is in that area. Mr. Roddy responds that there is a small shopping center and some residential uses there. He says that Chuck Coe from the City of Chino can address Commissioner Sedano's other question.

Mr. Roddy says the staff recommendation is that the Commission: (1) determine that LAFCO 2898 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption; (2) make

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

the findings related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the City of Chino should not be changed; and (3) adopt LAFCO Resolution No. 2745 setting forth the Commission's findings and determinations.

Chairman Smith opens the hearing and calls on Chuck Coe, the Director of Community Development.

Mr. Coe states that he is not aware of any discussions that have occurred between the two Cities regarding that area. He reports that a few years ago, some people in a residential tract in that area were concerned they were not receiving the same level of Chino services as other areas in the City. He says a task force of City staff met with the City Council and those residents and addressed their concerns. He says at that time, there did not seem to be any interest on the part of the residents or the Council to consider moving that land to Chino Hills. He says that proposal would need to be initiated by the residents, and says the City of Chino receives a small amount of sales tax revenues because of the shopping center, which it would be reluctant to give up without a compelling reason. Commissioner Sedano comments it would be good management to straighten out that line. Mr. Roddy notes that several out-of-agency service agreements, accompanied by irrevocable annexation agreements, have been received, so he says that over time, the boundaries will be cleaned up.

Mr. Coe reports that the City hopes to have the Specific Plan and Environmental Impact Report for the Agricultural Preserve area completed by the end of the year and the formal annexation application filed at the beginning of next year. He says the City filed a "preannexation" application and is working informally with LAFCO staff on those documents. Commissioner Sedano inquires about the island area Mr. Roddy referred to earlier. Mr. Coe reports that over time the City has annexed in and around that area, but he says that two property owners in that area have historically rejected any annexation efforts by the City. He adds that the City in the past 15 years did not want to force anyone to annex who did not wish to do so. He says, however, that the City will be surveying that area again.

Commissioner Eshleman points out that the City of Chino Hills boundary goes east of Highway 71, going south. Mr. Roddy states that issue will come up in the next five-year service review. Commissioner Pearson says that area was discussed during the incorporation drive for the City of Chino Hills. He says the people there wanted to remain in Chino, and that Chino Hills said to let that area go rather than fight over it.

Chairman Smith calls for further testimony. There is none and he closes the hearing.

Commissioner Postmus moves approval of staff recommendation, seconded by Commissioner Pearson. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: Mikels.

**CONSIDERATION OF WAIVER OF LEGAL COUNSEL CONFLICT LETTERS FOR SERVICE
REVIEWS AND SPHERE OF INFLUENCE STUDIES FOR CITY OF FONTANA AND CUCAMONGA
COUNTY WATER DISTRICT - APPROVE STAFF RECOMMENDATION**

LAFCO considers authorizing the Chairman to sign two waiver of Legal Counsel conflict letters for the sphere of influence updates/service reviews for the City of Fontana and Cucamonga County Water District. Notice of this matter has been advertised as required by law through publication in The Sun, a newspaper of general circulation.

Executive Officer James Roddy presents the staff report, a copy of which is on file in the LAFCO office and is made part of the record by its reference herein. Mr. Roddy reports that the City of Fontana and Cucamonga County Water District both have a legal relationship with Best Best & Krieger, which is the law firm for which LAFCO Legal Counsel Clark Alsop works. He says staff recommendation is that the Chairman be authorized to sign the waiver letter on the basis that these two service review/sphere studies are not expected to be more any more controversial than the ones reviewed today.

Chairman Smith asks whether there is anyone present wishing to speak on this item. There is no one.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Postmus. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: Mikels.

PENDING LEGISLATION REPORT

An update on SB 1515 and AB 2370 was provided by Legal Counsel Clark Alsop during the hearing on LAFCO 2888. Mr. Roddy states that he has nothing further to report on pending legislation at this time.

EXECUTIVE OFFICER'S ORAL REPORT

Mr. Roddy announces that there will be no hearing in August and says the next meeting will be September 18. He goes over the items on the draft tentative September 18 agenda. He announces that the Commissioners have been presented with information regarding nominations for the CALAFCO Executive Board offices which are open. He asks that anyone interested in running let the Chairman know so that the nomination can be made and the necessary paperwork submitted. Mr. Roddy reports that the Special Districts agreed on an alternative funding formula. He says, however, there was disagreement as to how the formula should work. He explains that the law requires that a majority of districts, representing a majority of the population, agree to the alternative formula, which he says they did. He says the problem is that there was also a majority of the population representing a minority of the districts that voted against the alternative. He says staff is tracking legislation that would change the formula and says the Districts might need to be reconvened later to consider another alternative.

COMMENTS FROM THE PUBLIC

Jeff Wright asks whether LAFCO has any jurisdiction over two former Air Bases, the Inland Valley Development Agency area (former Norton Air Force Base) and the Victor Valley Economic Development Agency (former George Air Force Base). Mr. Roddy responds that LAFCO has no authority over those Joint Powers Authorities, noting that both those areas are within cities. Mr. Wright discusses SB 1444, which he says relates to radioactive materials that are put into the land and whether that land can be leased or sold. He says his concern is that IVDA is taking issue with the bill because supposedly there is natural radiation which has flowed down from the mountains and happens to be where Norton Air Force Base is. He says he believes a lot of the radiation comes from the Manhattan project. He says this bill is designed to protect people and says the Commission should be aware of it.

Before adjournment of the meeting, Commissioner Eshleman asks whether the Commission can authorize the Executive Officer to approve the service reviews that are non-controversial and let the Commission deal with the controversial ones. Legal Counsel Alsop says that the Commission must hear and make a decision on each service review.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS
ADJOURNED AT 11:40 A.M. ON MOTION OF COMMISSIONER PEARSON, SECONDED BY
COMMISSIONER COLVEN.**

ATTEST:

DEBBY CHAMBERLIN
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 17, 2002**

GERALD W. SMITH, Chairman